

Message Text

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12
ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 IO-13 AID-05 COME-00 EB-07 FRB-03 TRSE-00

XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04

CEA-01 INT-05 AGR-05 AGRE-00 OES-06 DLOS-06 SAL-01

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FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 7197
INFO AMEMBASSY MOSCOW
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AMEMBASSY BERLIN
USMISSION BERLIN
AMEMBASSY BOGOTA
USMISSION BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
USMISSION USNATO
USMISSION USUN
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1. THE CEMA (COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE) TEAM CONCLUDED ITS 2-WEEK STAY IN MEXICO WHICH STARTED AUG. 17. IT WAS LED BY VICE-SECRETARY OF CEMA, JERZY SZOPA OF POLAND. MISSION OF 22 TECHNICIANS HAD MEETINGS WITH PRES ECHEVERRIA, PRES-ELECT LOPEZ PORTILLO, SECY OF INDUSTRY AND COMMERCE JOSE CAMPILLO SAINZ, SECY OF NATIONAL PATRIMONY JAVIER ALEGO, CONACYT (COUNCIL OF SCIENCE AND TECHNOLOGY) DIRECTOR GERARDO BUENO, AND IMCE (FOREIGN TRADE INSTITUTE) DIRECTOR JULIO FAESLER. SUBJECTS DISCUSSED WERE METALLURGY, ENERGY, PROSPECTION AND MINING, FISHING, AGRICULTURE, LIVESTOCK, HARBORS, PUBLIC HEALTH, SCIENCE AND TECHNOLOGY, JOINT VENTURES, AND TRADE.

2. DURING AUG. 30 PRESS CONFERENCE BY SZOPA AND CAMPILLO SAINZ, MEXICAN SECY EXPLAINED VISIT IT CONTEXT OF MEXICO'S WISH TO DIVERSIFY MARKETS. MEXICO IS ESPECIALLY INTERESTED IN FINANCING AND TECHNOLOGY FOR PRODUCTION OF CAPITAL GOODS AND POSSIBLE COOPERATION IN EXPLORATION OF MARINE RESOURCES WITHIN MEXICO'S 200-MILE LIMIT. CAMPILLO MENTIONED AS OF POSSIBLY GREAT INTEREST TO MEXICO, CEMA'S PROPOSAL TO OFFER CREDITS FOR ESTABLISHMENT OF FACTORIES TO BE REPAID OUT OF FACTORIES' SALES TO CEMA MEMBERS.

3. EMBOFF CONVERSATION WITH OFFICIAL IN CHARGE OF ECONOMIC INTEGRATION AND TRADE MISSIONS FOR MEXICAN SECRETARIAT OF FOREIGN RELATIONS CONFIRMS THAT VISIT WAS MAINLY FOR CONTACTS BETWEEN TECHNICIANS IN PREPARATION FOR FIRST MEETING OF CEMA-MEXICO MIXED COMMISSION TO BE HELD IN MEXICO DURING FIRST FORTNIGHT OF OCTOBER. DISCUSSIONS WERE HELD WITH COUNTERPARTS IN DECENTRALIZED AND PARASTATAL MEXICAN COMPANIES SUCH AS PEMEX (OIL) AND CFE (ELECTRICITY). SEPANAL (SECRETARIAT OF NATIONAL PATRIMONY) CHOSE PROJECTS OF GREATEST INTEREST TO MEXICO, SUCH AS MANUFACTURING OF MACHINE TOOLS, FOUNDRY PIECES, SPARE PARTS FOR ELECTRICAL EQUIPMENT AND TURBINES, AND HYDROELECTRIC GENERATORS. MEXICAN PRIVATE SECTOR WAS NOT INCLUDED IN DISCUSSIONS. TRADE ASPECTS WERE INCLUDED ON AGENDA THROUGH LIMITED OFFICIAL USE

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MEXICAN INSISTANCE. SECRETARIAT OF INDUSTRY AND COMMERCE DREW UP LIST OF 62 PRODUCTS IT FEELS THAT MEXICO SHOULD SELL TO CEMA.

4. FOREIGN RELATIONS OFFICIAL STATED VISIT TO PRES-ELECT LOPEZ PORTILLO WAS OF GREAT INTEREST TO CEMA MISSION AS IT SHOWED THAT NEXT ADMINISTRATION IS DISPOSED TO FOLLOW ECHEVERRIA POLICY TOWARDS

COMMUNIST COUNTRIES.

5. COMMENT: JUDGING FROM CEMA LIST OF PARTICIPANTS AND THEIR SPECILATIES, CONTACTS FOLLOW THE PATTERN OF PREVIOUS BILATERAL RELATIONS, E.G. RUMANIAN INTEREST IN PETROCHEMICALS AND CUBAN IN SUGAR. CONSULTATIONS WERE ON BILATERAL BASIS, RATHER THAT WITH CEMA AS UNIT, ALTHOUGH CEMA SECRETARIAT WAS KEPT INFORMED OF PROGRESS OF INDIVIDUAL PROJECTS. MEXICANS WERE MOST INTERESTED IN JOINT VENTURE POSSIBILITIES IF THEY CAN BE DEVELOPED WITHIN CONTEXT OF INVESTMENT CODE. SALE OF OIL TO CUBA HAS BEEN MENTIONED BEFORE BUT IT IS NOT KNOWN TO WHAT EXTENT SUBJECT WAS DISCUSSED DURING CEMA'S MISSION VISIT. MISSION INCLUDED CUBAN EXPERTS IN STEEL, LIVESTOCK, AND SUGAR. END COMMENT.

6. FYI: ACCORDING TO TRADE FIGURES FROM MEXICAN CENTRAL BAN(, 1975 EXPORTS TO MEXICO'S 5 LEADING PARTNERS IN CEMA (GDR, CZECHOLSOVAKIA, POLAND, USSR, AND CUBA) WERE \$39 MILLION OR 1.4 PERCENT OF TOTAL EXPORTS; IMPORTS WERE \$18 MILLION OR 0.3 PERCENT. FOR FIRST QUARTER 1976, EXPORTS WERE \$17 MILLION OF 2.4 PERCENT AND IMPORTS WERE \$4.7 MILLIONOR 0.3 PERCENT. WITHIN GROUP IN 1975, APPROX THREE-FOURTHS OF MEXICAN EXPORTS WENT TO CUBA WHILE CZECHOSLOVAKIA SUPPLIED ONE-THIRD OF MEXICAN IMPORTS, FOLLOWING PATTERN OF RECENT YEARS.

7. LIST OF CEMA PARTICIPANTS BENG CABLED SEPARATELY.
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